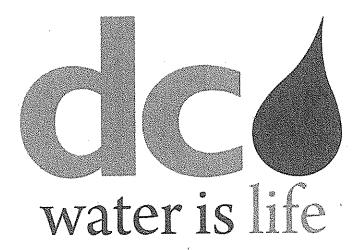
PUTTING AMERICA BACK TO WORK THROUGH CLEAN WATER INFRASTRUCTURE INVESTMENT

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON WATER RESOURCES AND THE ENVIRONMENT

HON. EDDIE BERNICE JOHNSON, CHAIRMAN



TESTIMONY OF GEORGE S. HAWKINS, ESQ.

GENERAL MANAGER

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

THURSDAY, JULY 15 AT 2 P.M.
RAYBURN HOUSE OFFICE BUILDING, ROOM 2167

Good afternoon Chairwoman Johnson, Ranking Member Boozman and members of the Subcommittee on Water Resources and Environment. My name is George Hawkins and I am the General Manager of the District of Columbia Water and Sewer Authority—also known simply as DC Water. I'd like to thank you for inviting me to testify today on the issue of federal infrastructure funding and job creation. As the ultimate person in charge of managing and upgrading an aging infrastructure portfolio that includes 3,100 miles of pipes and more than 36,000 valves, I know this issue very well.

First, by way of background, DC Water purchases treated drinking water at wholesale from our federal partner, the Washington Aqueduct, which is a unit of the U.S. Army Corps of Engineers. We then deliver this water through our pumping stations and pipes to our retail customers in the District of Columbia – including this very building. We also operate the world's largest advanced wastewater treatment plant, at Blue Plains, for the benefit of our customers in the District and several suburban jurisdictions.

DC Water was supportive of the work Congress and the President did to pass the American Recovery and Reinvestment Act of 2009 for two main reasons. The first, which you noted in your opening remarks, is that the bill put people to work. The second, which I will also discuss, is that it provided a much-needed federal boost to local infrastructure projects that are critical to our very survival as a nation.

In our Fiscal Year 2009, which ran from October 2008 to September of last year, the Authority received 6 stimulus grants for Safe Drinking Water projects, totaling \$19.5 million. We also received 3 grants for Clean Water projects, totaling \$5.8 million. (Our annual operating budget and capital expenditures total \$791 million.) The stimulus projects include replacing valves of different sizes, replacing water mains, improving streams and rehabilitating sewers. To date, we have four projects underway that have created or retained 16 jobs. However, I need to point out that we will shortly have a total of 97 projects underway that are funded by these stimulus grants. In all honesty, we had hoped for faster progress, but have run into difficulties obtaining permits from the various entities that govern the land where we will do the work. Nonetheless, it is no exaggeration to say that once all the projects are complete, we will have created or retained hundreds of

jobs. In a city where some entire neighborhoods have unemployment rates approaching 40 percent, the value of putting people to work cannot be underestimated. Furthermore, the type of jobs provided by federal support for infrastructure may be among the most important we can create. These jobs offer opportunities for entry into the workforce and future advancement to populations who traditionally have low rates of labor market participation. In addition, they cannot be exported, providing a reliable and constant source of employment.

I would also like to point out what is perhaps obvious to us all – that investment in our water and wastewater infrastructure supports every other job in the country. One of the first casualties of a disruption of these services is the homes and businesses that rely on these services. People are forced to stay home, businesses must shut down, neighborhoods and natural areas are put at risk. Every new business needs a water and sewer hook-up. Investment in our service directly enables every other job in the country.

Federal investment in water infrastructure has another value I'd like to discuss briefly while I have the opportunity – it can accelerate needed improvements to our aging water system while relieving ratepayers of the burden of paying for these improvements. That need is reflected in EPA's most recent Clean Watersheds Needs Survey. The survey shows a dramatic hike in publicly owned wastewater infrastructure needs – a jump of \$95 billion in four years to a total national need of \$298 billion as of January 1, 2008. The District of Columbia is again at the top of per-capita needs at \$4,315. This statistic highlights the perilous fact that much of the water quality needs in the country are focused on improvements needed in urban areas – which overlaps with some of the most impoverished neighborhoods in the county. Federal stimulus funds for infrastructure in this manner also provide a direct, meaningful level of support to many on low and fixed incomes who are often living in neighborhoods in cities and other metropolitan districts.

The average age of a water main in the District of Columbia is 76 years, and Civil War-era pipes are not uncommon. In the fiscal year that begins this fall, DC Water will triple the rate of its water infrastructure replacement. Our replacement rate will be 1 percent a year – meaning we'll replace all the pipes within 100 years. This is twice the

national average, but not nearly fast enough. And yet to achieve the 1-percent replacement rate, we're raising the average monthly water bill from \$51 to \$60. Local ratepayers are now paying the bill for infrastructure installed by the federal government generations ago. This is a situation far from unique to the District of Columbia. In many states and in thousands of municipalities, the pipes have long surpassed their maximum life expectancy. As you can see from my uniform and the cover page of my testimony, I'm fond of the phrase "Water is life." Continued federal investment in water infrastructure, in my view, fulfills a fundamental obligation of government to the people it serves. It enables us to continue delivering life to our customers. Madame Chairwoman, members of the Subcommittee, this concludes my prepared remarks. Thank you again for the opportunity to testify, and I look forward to answering any questions you may have.